

Message Text

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ORIGIN ARA-14

INFO OCT-01 ISO-00 SIG-03 AID-05 CIAE-00 COME-00 EB-08
FRB-01 INR-10 NSAE-00 ICA-20 TRSE-00 XMB-04
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FM SECSTATE WASHDC
TO ALL AMERICAN REPUBLIC DIPLOMATIC POSTS

UNCLAS STATE 118018

C O R R E C T E D C O P Y (PARAGRAPHS 3 AND 4 OMITTED)

E.O. 11652: N/A

TAGS: ETRD,XM

SUBJECT: U.S. TRADE WITH LATIN AMERICA, FIRST QUARTER
1977-78

1. AS POSTS ARE PROBABLY AWARE, REVISION OF CLASSIFI-
CATION SYSTEM FOR U.S. EXPORTS HAS DELAYED TRADE DATA
AVAILABILITY FOR 1978. PUBLICATION OF "HIGHLIGHTS OF
U.S. EXPORT AND IMPORT TRADE" IS NOT EXPECTED UNTIL
AT LEAST JUNE. IN ORDER TO PROVIDE INTERIM DATA FOR
POSTS, ARA/ECP HAS COMPILED FIRST QUARTER INFORMATION
ON U.S. TRADE WITH LATIN AMERICA. MORE COMPREHENSIVE
ANALYSIS WILL BE FORWARDED AS SOON AS ADDITIONAL DATA
BECOME AVAILABLE.

2. THE FIRST QUARTER 1978 U.S. TRADE BALANCE WITH
LATIN AMERICA SHOWED SIGNIFICANT IMPROVEMENT FROM THE
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LARGE DEFICIT OF FIRST QUARTER 1977. COMPARED WITH
THE SAME PERIOD IN 1977, U.S. IMPORTS FROM THE REGION
DECLINED SLIGHTLY IN FIRST QUARTER 1978 WHILE U.S.
EXPORTS SHOWED A 20 PERCENT INCREASE. AS A RESULT,
THE U.S. DEFICIT WITH LATIN AMERICA WAS REDUCED FROM
\$2 BILLION TO \$1 BILLION. FIRST QUARTER TRADE WITH
NON-OIL EXPORTING COUNTRIES WAS ALMOST IN BALANCE.

3. INDIVIDUAL COUNTRY PRODUCT DATA FOR FIRST QUARTER TRADE ARE STILL NOT AVAILABLE. THERE HAS, HOWEVER, CLEARLY BEEN A DECLINE IN THE VALUE OF U.S. IMPORTS OF PETROLEUM AND COFFEE--THE FORMER RESULTING FROM A WINTER SLIGHTLY LESS SEVERE THAN THE PREVIOUS ONE AND FROM STOCK DRAWDOWNS AND THE LATTER FROM A DECLINE IN PRICES. FIRST QUARTER IMPORTS FROM MOST COFFEE EXPORTERS WERE DOWN SLIGHTLY, IMPORTS FROM THE PRINCIPAL OIL EXPORTERS WERE DOWN 18 PERCENT, AND IMPORTS FROM OTHER COUNTRIES GENERALLY SHOWED MODERATE INCREASES. (HOWEVER, PART OF THE SHARP INCREASE IN IMPORTS FROM MEXICO PRESUMABLY INCLUDES GREATER PETROLEUM SHIPMENTS.)

4. THE INCREASE IN U.S. EXPORTS CONTINUES THE TREND NOTED IN LATTER 1977 AS GREATER EXPORT EARNINGS BY MANY LATIN AMERICAN COUNTRIES TIMULATED ADDITIONAL IMPORTS--BUT WITH A TIME LAG. STRONGER FIRST QUARTER EXPORTS TO MEXICO AND BRAZIL MAY REFLECT INCREASING ECONOMIC RECOVERY IN THOSE COUNTRIES. THESE TWO COUNTRIES ACCOUNT FOR A LARG SHARE OF U.S. CAPITAL GOODS SHIPMENTS TO LATIN AMERICA. WE EXPECT PRODUCT DATA WILL SHOW A SUBSTANTIAL RECOVERY IN EXPORTS OF BOTH NON-ELECTRICAL MACHINERY AND TRANSPORT EQUIPMENT AFTER ALMOST NO GROWTH IN THESE CATEGORIES IN 1977.

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U.S. TRADE WITH LATIN AMERICA, FIRST QUARTER 1977-78
(MILLIONS OF DOLLARS)

	1978	1978	1977	1977
	IMPORTS	EXPORTS	IMPORTS	EXPORTS
MEXICO	1,396	1,320	1,124	1,015
BRAZIL	643	637	635	555
COLOMBIA	250	207	281	166
PERU	130	99	97	124
ARGENTINA	113	155	85	140
CHILE	105	107	54	125
PANAMA	34	87	42	86
BOLIVIA	44	46	39	35
URUGUAY	21	18	13	15
PARAGUAY	8	20	5	11
TOTAL	2,744	2,696	2,375	2,272
CACM				
GUATEMALA	99	97	131	81
EL SALVADOR	82	84	108	63

COSTA RICA	63	78	70	76
HONDURAS	99	73	76	48
NICARAGUA	50	50	50	49
TOTAL	393	382	435	317

CARIBBEAN (NON-OIL)

DOMINICAN

REPUBLIC	138	112	126	96
JAMAICA	98	71	91	55
HAITI	47	46	43	45
SURINAM	26	29	28	27
GUYANA	10	11	17	22
BARBADOS	6	16	6	12
TOTAL	325	285	311	255

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OIL EXPORTERS

VENEZUELA	956	808	1,218	669
ECUADOR	198	154	156	99
TRINIDAD	429	82	500	76
NETHERLAND				
ANTILLES	304	80	455	67
BAHAMAS	277	60	315	54
TOTAL	2,164	1,184	2,644	965

TOTAL	5,626	4,547	5,765	3,809	VANCE
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Message Attributes

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